



Seiko Epson Group

Paper Products Procurement Standard

(Epson Printer Specialty Paper Procurement Standard)

For use outside Japan

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SEIKO EPSON CORPORATION

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Introduction

The Seiko Epson Group (below, Epson) has a stated procurement policy that says, “In every region where we do business, we promote procurement initiatives compliant with each nation’s law, international rules and the spirit of the same, cleaving to a high sense of ethics and acting for the good of society.” In keeping with this policy, Epson encourages procurement of paper products with due consideration for the social, economic and environmental sustainability of forests.

Thus the Epson manages its entire supply chain from the immediate supplier all the way back to the forest to ensure the legality, sustainability and environmental safety of the paper products we procure. We ask that you fully understand the intent and nature of these initiatives and then give us your support.

Stance on Procurement of Paper Products

The illegal logging of forests is a very serious issue for those seeking to protect the environment on the global scale and practice sustainable forest management. Around the world, greater efforts are being made to ensure legality and sustainability during the procurement of wood products.

Epson has established a procurement policy for paper, the major forest product we procure. Under this policy, which is designed for the social, economic and environmental sustainability of the forest, Epson practices the following.

1. Effective use of used paper and other recycled pulp
2. If virgin pulp is used as a raw material, procurement should confirm the following:
 - Legality
 - Sustainability
 - Chemical safety
 - Environmental management

Content of Standard

1. Objective

This standard sets out Epson's basic stance on the procurement of paper products and establishes the Seiko Epson Group Paper Products Procurement Policy (below, Procurement Policy). Its objective is to promote procurement such that legality, sustainability and environmental safety are taken into consideration throughout the supply chain.

2. Scope of application

At Epson, the Procurement Policy applies to the procurement of specialty paper for use in Epson printers.

3. Content of conforming procurement management

Suppliers are asked to provide a "Certificate of Conformity to Epson Paper Products Procurement Policy" (below, Certificate) confirming conformity with the Procurement Policy. The major content of the Certificate is as follows.

- (a) Conformity with the Procurement Policy
- (b) Raw materials traceability information

4. Procurement Policy and stance on conforming procurement management

Details of the Procurement Policy are given below.

Seiko Epson Group Paper Products Procurement Policy

Epson has established a paper products procurement policy as below, based on the premise that the Group will continue to promote the effective use of used paper and other recycled pulp. Through this policy, we will take account of the social, economic and environmental sustainability of forests and ensure legality, sustainability and environmental safety throughout the supply chain.

Epson will work to gradually expand the scope of procurement whose conformity to the Procurement Policy can be checked.

Legality

If virgin pulp is to be used as raw material, the raw material wood shall be legal according to the forestry laws of the country in which it is produced, and there shall be no violations of the laws, etc. of the nations or regions with authority at all stages, including production, extraction, processing, shipping and export.

Sustainability

If virgin pulp is to be used as raw material, the raw material wood shall be produced in a sustainable manner.

Chemical safety

It shall be confirmed that the material does not intentionally contain "chemicals prohibited from inclusion in products" as designated by the Seiko Epson Group.

For details, please see “Epson Green Purchasing Standard for Production Materials.”

Environmental management

The production plants for the paper products procured shall be managed in environmentally responsible ways.

Sustainability

- (A) Wood produced from sustainably managed forests
Raw material wood shall be wood produced from sustainably managed forests. Sustainable forest management meets the following conditions.

- A-a) Management of the forest must ensure that harm to ecosystems is minimized.
- A-b) Management of the forest must ensure that productivity of the forest is maintained.
- A-c) Management of the forest must ensure that forest ecosystem health and vitality is maintained.
- A-d) Management of the forest must ensure that biodiversity is maintained.
- A-e) Management of the forest must ensure that civil and traditional rights are not violated.

By increasing the percentage of products using raw material wood produced in forests acquiring third-party forest certification conforming to the above conditions, we shall enhance the reliability of checks of sustainable forest management.

- (B) Wood controlled for social, economic and environmental harm (controlled wood)
Even if it cannot be confirmed that our raw material wood is “wood produced from sustainably managed forests,” it shall be “wood controlled for social, economic and environmental harm.”

However, wood controlled for social, economic and environmental harm (controlled wood) does not include wood as described below; it must be wood that is controlled so there is no harm to society, economy or the environment.

- B-a) Illegally harvested wood
- B-b) Wood harvested from areas where civil and traditional rights are violated
- B-c) Wood harvested from non-certified forests in areas where high conservation values are threatened by forest management activities
- B-d) Wood harvested from genetically modified (GM) trees
- B-e) Wood harvested from areas which have been converted from natural forest to plantations or non-forest uses

As a result of these, the makeup of the raw material wood should have 100% for the following value.

Percentage of fiber from recycled material
+ Percentage of fiber from wood produced in sustainably managed forests
+ Percentage of fiber from wood controlled for social, economic and environmental harm
+ Percentage of non-wood fiber
= 100%

- (C) If the above value does not reach 100%, the decision whether to procure will depend on whether there is an appropriate improvement plan.

Stance on legality, chemical safety, environmental management

Epson selects suppliers and evaluates them periodically in accordance with the Epson Group Procurement Guideline. As part of this, we evaluate each supplier's legality, chemical safety and environmental management for conformity to our Procurement Policy.

Explanation of terms

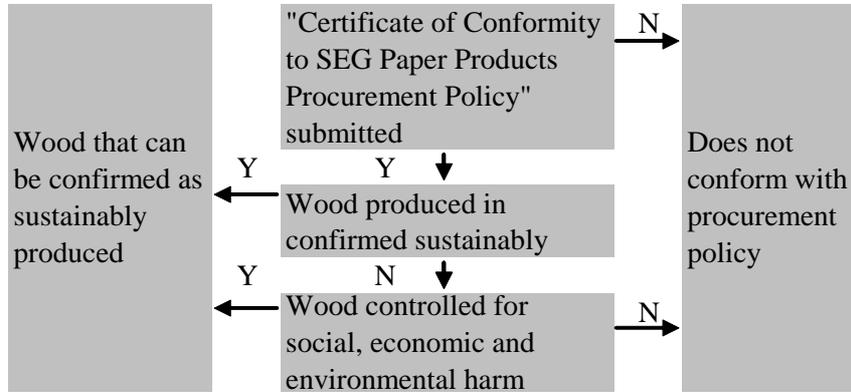
- (a) Improvement plan
If virgin pulp is to be used as raw material, an initiative to prevent procurement of such wood that cannot be confirmed to have been produced sustainably.

Note that "wood that cannot be confirmed to have been produced sustainably" does not qualify as either "wood produced from sustainably managed forests" or "wood controlled for social, economic and environmental harm (controlled wood)."

- (b) Recycled pulp
Pulp that is recycled from paper or waste materials such as those below
- a. Post-consumer paper
Raw material recovered and recycled after it is delivered to the final consumer
 - b. De-inked industrial used paper
Raw material recycled before delivery to the final consumer, such as waste and unsold printed matter from a printing plant
 - c. Unprinted industrial used paper
Recycled raw material that has not been printed
 - d. Recycled non-wood raw material
Recycled raw material from waste, etc. that contains agricultural waste, cloth or other non-wood raw materials

(Reference)

Flow of sustainability conformity check



End